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October 1, 2018

Mississippi Public Service Commission  
501 North West Street, Suite 201A  
Jackson, MS. 39201

**FILED**

**OCT 03 2018**

Attention Ms. Katherine Collier

**MISS. PUBLIC SERVICE  
COMMISSION**

RE: Punkin Water Association/ MS Public Service  
Commission Number 2018-AD-36 Melanie Rube, et. al.

Dear Ms Collier,

In further reference to the above, please file this letter and its attachments in the above case. This is the September report as required in the post hearing Order entered on the 18<sup>th</sup> day of May, 2018. Included with this report is a copy of the Punkin Water Association monthly Board meeting Agenda for the September, 2018 meeting. Approximately twenty (20) people were present at the meeting. Those present were allowed to provide input and discussion both during and after adjournment of the regular board meeting.

At the meeting, board counsel requested that the board approve settlement of a third party complaint filed against the water association which involved the location of water lines and a water meter that was in place prior to the creation of Punkin Water Association. The terms of the settlement were approved by the board.

Nic Gillespie, an engineer with Engineering Solutions, began with a report on the status of the engineering work for each of the three proposed projects. The members in attendance were given the opportunity to ask questions of the engineer. There still seems to be some confusion among the members as to the reasons for each phase of the upgrades. Mr. Gillespie stated that the new filters that had been installed at the wells were working well and that the most recent tests conducted at both well sites showed either 0% or almost no iron in the water. When questioned as to why some members were still seeing some brown water, he explained that it was likely due to sediment in the pipes. He further explained that the way to remove the sediment was to institute a flushing program but that such a program at this time would likely be ineffective because it would not be possible to get the appropriate amount of pressure to some areas due to the current system configuration. He stated that the Phase 3 project would improve that particular problem.

When questioned about the status of the phases which would create a connection to allow Punkin Water to purchase water from the City of Oxford, Mr. Gillespie said that he was still working on details of the necessary hydraulics with the City engineers. A critical question which had been posed by the City was whether or not the City would be a primary water supply or merely a back-up water supply. The response given by President, John Davis was that initially Punkin would only need it as a back-up but as development in the area continues, it would at some point become a primary source.

Based on comments during and outside of the meeting, there appears to be different groups of members with differing issues and ideas on what should be done. Some are still seeing brown water, some are still experiencing pressure issues and some are concerned about not having enough water for future development in the area. This is what prompted Punkin to place on the agenda more discussion of the best priority of the three projects. Mr. Gillespie explained that Phases I and II were necessary to connect to the City but that connecting to the City would not alleviate the pressure or brown water problems. He also restated ESI's recommendation that Phase III should be completed first. Once this was explained and the members asked their questions, Mr. Davis asked for a show of hands of those who wanted Phase III completed first. A majority of those present raised their hands. The board then decided that another vote to change the priority of the projects was not necessary.

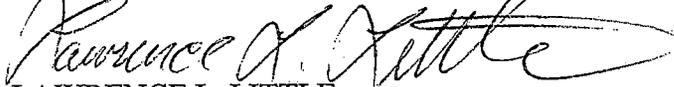
Board counsel then gave a report on the contract negotiations with the City. The City attorney is insisting that the agreement contain language which would require Punkin Water Association to indemnify it in the event of a claim or lawsuit filed against the City by any of Punkin's members. The board was made aware of this and the members present were allowed to ask questions. It is unlikely that Punkin will be able to remove or mitigate this language but counsel is looking at alternative provisions to present to the City.

The regular board meeting was then adjourned and additional questions were permitted. One member began to question specific expenditures from the bank statements. It was requested by the board that such questions be submitted in writing before the next meeting to give them time to compile the answers as the records would have to be reviewed. That same member also asked how the proxy process would work at the annual member meeting in November. Board counsel explained the process and advised that the proxy forms would be posted on the website at the appropriate time.

Since the board meeting, Punkin's engineers have advertised for bids for the Phase III project. Bids will be opened on October 23, 2018. The engineers are also working with MDOT to determine where they will grant right-of-way permits for all three phases. Once that is determined, Punkin will know which members they need to approach to request easements.

Sincerely,

LAWRENCE L. LITTLE & ASSOCIATES, PA



LAWRENCE L. LITTLE

enclosure

cc: Mr. Chris Hutchinson  
Punkin Water System

PUNKIN WATER ASSOCIATION  
BOARD MEETING AGENDA  
September 10, 2018

Call meeting to order.

Read and approve minutes of July meeting

Read and approve minutes of August meeting

New Business

Board counsel to present settlement of Ingram v. Punkin Water lawsuit for approval

Report from ESI on status of Phase II

Discussion on changing the order in which the proposed projects are completed.

Old Business

ESI to give report on Phases I and III

Board counsel to give report on contract negotiations with City.

Adjourn meeting